

164.6023 Authority of the science and technology organization to review applications, qualify companies, and certify qualified companies.

- (1) The science and technology organization shall have the authority to review applications, qualify companies, and certify qualified companies.
- (2) The science and technology organization shall develop application criteria and an application process subject to the following limitations. The proposed research and development project shall be likely to:
 - (a) Produce a measurable result and be technically sound;
 - (b) Lead to innovative technology or new knowledge;
 - (c) Lead to commercially successful products, processes, or services within a reasonable period of time; or
 - (d) Show significant potential for stimulating economic growth and a reasonable probability to enhance employment opportunities within the Commonwealth.
- (3) The applicant shall provide to the science and technology organization an application that shall include but not be limited to the following information:
 - (a) Verification that the applicant is an eligible company that meets the definition of a Kentucky-based company and medium-size company or small company;
 - (b) A technical research plan that is sufficient for outside expert review;
 - (c) A detailed financial analysis that includes the commitment of resources by the applicant and others;
 - (d) Sufficient detail concerning proposed project partners, type and amount of work to be performed by each partner, and expected product or service with estimated costs to be reflected in the negotiated contract or agreement; and
 - (e) A statement of the economic development potential of the project.
- (4) The science and technology organization shall conduct an independent review with the use of outside experts to evaluate each application. Following the application review, the science and technology organization shall make a determination of the application and may determine that the applicant is a qualified company as defined in KRS 164.6011.
- (5) Upon a qualified company's presentation of a legal agreement or contract meeting the conditions under subsection (6) of this section, the science and technology organization shall present the qualified company, the project partner, if any, and the university in the Commonwealth with a certification authorizing voucher funding.
- (6) Prior to receiving certification authorizing voucher funding from the science and technology organization, the qualified company shall:
 - (a) Negotiate an agreement and funding contract with a university in the Commonwealth and with a project partner, if any, that is satisfactory to the science and technology organization, to undertake the research and development work; and
 - (b) Provide assurance to the science and technology organization that the university and the qualified company have negotiated the ownership and

disposition of patents, royalties, all other intellectual property rights, and equity or related position relating to the contract between the qualifying company and the university.

- (7) Prior to certifying a qualified company, the science and technology organization may negotiate with the qualified company the ownership and disposition of patents, royalties, all other intellectual property rights, and an equity or related position on behalf of the Kentucky research and development voucher fund for the sole purpose of reinvesting and sustaining a revolving fund to carry out the provisions of KRS 164.6021, 164.6023, and 164.6025.
- (8) The science and technology organization, upon approval by the council, shall set forth guidelines as to when and how all areas of the state will be notified about the program's availability and a program schedule, including but not limited to the following:
 - (a) A review cycle including:
 - 1. A deadline for submission of applications at least biannually; and
 - 2. A deadline for reviewing applications of no more than one hundred twenty (120) days after the application submission deadline; and
 - (b) A deadline, from the date an applicant is determined to be a qualified company, by which certification shall be made. If certification is not made by that deadline the funding voucher award is made void.

Effective: July 15, 2002

History: Amended 2002 Ky. Acts ch. 230, sec. 39, effective July 15, 2002. -- Created 2000 Ky. Acts ch. 522, sec. 7, effective July 14, 2000.